



PRESS RELEASE

Nasdaq: SWMAY OM Stockholmsbörsen: SWMA

August 29, 2001

Swedish Match to restructure cigar operations

Swedish Match today announced its intent to concentrate its Belgian cigar manufacturing operations to its production facility in Houthalen, Belgium, and Pandaan, Indonesia. This restructuring will result in a reduction of the Belgian manufacturing workforce by approximately 160 employees.

The integration of the two Belgian operations in Houthalen and Overpelt, and concurrent manufacturing investments are part of an ongoing effort to modernise and improve efficiencies in the company's manufacturing units.

The cigar business of Swedish Match Cigars NV is a wholly owned entity of Swedish Match AB, a company headquartered in Stockholm, Sweden. Swedish Match is one of the world's largest manufacturers of cigars, with significant market positions in Europe and North America. Swedish Match Cigars NV currently has its primary manufacturing units in Houthalen and Overpelt, in Belgium and in Pandaan, in Indonesia. In addition, Swedish Match has a distribution center in Valkenswaard in the Netherlands and a number of establishments in North and Central America. The Belgian operations currently employ approximately 550 employees.

Also, General Cigar Holdings, Inc. has announced the closure of its management offices in Connecticut, relocating these activities to the company's New York and New Jersey facilities. Swedish Match owns 64 percent of the shares of General Cigar.

The estimated cost of these restructuring programs amounts to 80 MSEK and will be booked in the third quarter, 2001. Annual savings of approximately 50 MSEK per year are expected, beginning in the second half of 2002, with full impact from January, 2003.

Swedish Match is an international group with its head office in Stockholm. The company manufactures a broad range of products within the OTP (Other Tobacco Products) category, with smokeless tobacco as its core business along with cigars and pipe tobacco, as well as matches and lighters. The products are sold in approximately 140 countries. Sales for the twelve months ending June 30, 2001 amounted to 12,832 MSEK. Swedish Match is listed on OM Stockholmsbörsen (SWMA) and on NASDAQ (SWMAY).

For further information, please contact:

Lennart Sundén, President and Chief Executive Officer

office +46 8 658 01 75

*Sven Hindrikes, Executive Vice President and
Chief Financial Officer*

*office +46 8 658 02 82
mobile +46 70 567 41 76*

*Bo Aulin, Senior Vice President, Secretary
and General Counsel*

*office +46 8 658 03 64
mobile +46 70 558 03 64*

Emmett Harrison, Vice President, Investor Relations

*office +46 8 658 01 73
mobile +46 70 938 01 73*
